

September 20, 2000

Russell V. Randle
(202) 457-5282
rrandle@pattonboggs.com

VIA US MAIL AND FACSIMILE

David K. Clay, Esq.
Senior Attorney
United States Environmental Protection Agency
Region 4
Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, GA 30303-8909

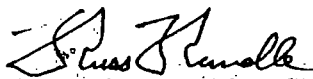
Re: Collierville Superfund Site: Oversight Cost Settlement

Dear David:

This letter is to confirm the settlement we reached in our meeting yesterday concerning the oversight costs and future response costs related to the Collierville Superfund Site on behalf of Carrier Corporation. Carrier has agreed to pay \$321,000 in full satisfaction of all federal response costs through September 30, 1999. Carrier has also agreed that with respect to future response costs it will sign a brief agreement which confirms that for this Site, Carrier will pay the actual, necessary EPA response costs not inconsistent with the National Contingency Plan, after presentation of adequate documentation. As we discussed, it is in everyone's interest to keep the agreement short. Carrier understands that certain language must be put in the agreement under section 122 of CERCLA.

My colleagues and I, as well as Carrier's personnel, very much appreciate the professional, cordial and straightforward approach you and your colleagues have taken in addressing these issues and in working through to a mutually satisfactory settlement. Best regards.

Sincerely,



Russell V. Randle
Counsel for Carrier Corporation



10626230